

**For:** State and County Offices

**CCC-770 MILCX Questions and Answers (Q&A's)**

**Approved by:** Deputy Administrator, Farm Programs



**1 Overview**

**A Background**

PSD has received several questions about CCC-770 MILCX's. CCC-770 MILCX's:

- do **not** supersede or replace procedure
- is being revised because of questions received
- is available at **<http://165.221.16.90/DAM/ffasforms/forms.html>**
- is to be used as tools to:
  - ensure applicable program policies and procedures are followed
  - minimize the risk of issuing incorrect program benefits.

**B Purpose**

This notice provides State and County Offices with the following:

- answers to questions about using CCC-770 MILCX's
- a revised CCC-770 MILCX (4-12-07) that provides space for documenting quarterly reviews completed by CED's and State Office representatives.

**Note:** CCC-770 MILCX (4-12-07) replaces CCC-770 MILCX (12-14-06)

Disposal Date	Distribution
March 1, 2008	State Offices; State Offices relay to County Offices

**2 CCC-770 Q&A's**

**A CCC-770 Eligibility Q&A's**

The following are Q&A's about CCC-770 Eligibility's.

Q1: Are County Offices required to complete a CCC-770 Eligibility each time a Milk Income Loss Contract Extension (MILCX) payment is made?

A1: No, once a CCC-770 Eligibility is completed for the FY, unless there is a change in an operation or eligibility status, it is **not** necessary to complete new CCC-770 Eligibility until the next FY.

**B CCC-770 MILCX**

The following are Q&A's about CCC-770 MILCX's.

Q 1: Is the date completed necessary for each question?

A 1: Yes. The CCC-770 MILCX preparer may not be able to answer all the questions on the CCC-770 MILCX on the same day.

Q2: When should the County Office complete CCC-770 MILCX, Items 9C and 9D?

A2: CCC-770 MILCX, Items 9C and 9D must be completed and dated when the payment is issued.

Q3: What should be entered in the "date completed" field provided for every question? The date the eligibility requirement was completed or the date the specific numbered item on the CCC-770 MILCX is completed verifying the requirement?

A3: The date the specific numbered items on the CCC-770 MILCX are completed verifying the specific requirement should be the date entered into the "date completed" field.

Q4: Who should spot-check CCC-770 MILCX's prepared by CED's?

A4: For CCC-770 MILCX prepared by the CED's that are required to be spot-checked, the County Office should follow the procedure they normally follow when a review is required for County Office prepared documents and the preparer is the CED.

Q5: When should County Offices report the first FY quarter results to State Offices?

A5: The first FY year quarter ended December 31, 2006; however, CCC-770 MILCX's were not issued until December 13, 2006. Therefore, County Offices will **not** be required to report for the first FY quarter of FY 2007.

2 CCC-770 Q&A's (Continued)

B CCC-770 MILCX Q&A's (Continued)

- Q6: How will State and County Offices randomly select CCC-770 MILCX's for spot-check?
- A6: Software is being developed to assist County Offices with randomly selecting CCC-770 MILCX's for spot-check. Until software is developed, County Offices shall print a report from Financial Services based on the date range specific to the FY quarter.
- Note:** DD or State Office representative shall use the same County Office spot check register and method to select the appropriate number of State Office required spot-checks.
- Q7: If the dairy operation is selected during a random MILCX spot check in the first quarter, is the dairy operation excluded from future MILCX spot-checks?
- A7: No, it will be necessary to select CCC-770 MILCX's for spot check from the list of MILCX payments made each FY quarter.
- Q8: When should County Offices complete CCC-770 MILCX, Items 12A and 13A, since there is only 1 signature blank?
- A8: CCC-770 MILCX has been revised to accommodate additional signatures for every FY quarter. The reviews are conducted quarterly with the reviews recorded in CCC-770 MILCX, Items 12 and 13. An example of the revised CCC-770 MILCX is included in subparagraphs 3 B and C and can be found at <http://165.221.16.90/DAM/ffasforms/forms.html>.
- Q9: Should CCC-770 MILCX's spot-checked by CED's be filed separately?
- A9: CED's shall copy and file, by program, all CCC-770 MILCX's that were spot-checked by the CED. STC's or designee (DD) will select the required 50 percent of CED spot checks according to 11-LD, paragraph 49, from the applicable program file folder.
- Q10: The State Office spot check selection process requires a certain number of CCC-770 MILCX be spot-checked every quarter. Is the number of CCC-770 MILCX's to be spot-checked per county or based on the total number of MILCX payments processed in the State within a quarter?
- A10: The number of State Office CCC-770 MILCX's to be spot-checked is on a per county basis.
- Q11: Can the revised CCC-770MILCX (xx-xx-xx) be attached to the already completed CCC-770MILCX (12-12-06)?
- A11: Yes, the County Office may continue monitoring payments by completing sections 1-6 and sections 9-13 on the CCC-770MILCX (xx-xx-xx) and attaching it to the checklist currently in the file.

### 3 Completing CCC-770 MILCX

#### A Instructions for Completing CCC-770 MILCX

Complete CCC-770 MILCX according to the following.

Item	Instructions
1	COC designee shall enter the name of the dairy operation.
2	COC designee shall enter the applicable FY.
3	COC designee shall enter the date CCC-580X was submitted to the County Office.
4	COC designee shall enter the contract number assigned to CCC-580X for the dairy operation from the eMILC web-based software.
5	COC designee shall enter the name of the County Office completing the CCC-770 MILCX.
6	COC designee shall enter the State where the dairy operation is located.
7A through 7C	COC designee must enter a check (✓) in the appropriate box to designate either “Yes”, “No”, or “NA” as it relates to the questions about the dairy operation.
8A through 8J	COC designee must enter a check (✓) in the appropriate box to designate either “Yes”, “No”, or “NA” as it relates to the questions about the CCC-580X contract requirements for the dairy operation.
9A through 9F	For each applicable month a contract payment is issued, COC designee must enter a check (✓) in the appropriate box to designate either “Yes” or “No” to the question about production evidence and payment processing. The County Office employee that prepares this CCC-770 MILCX shall initial in the place provided for each applicable month and indicate the date the item was completed.  <b>Exception:</b> CCC-770 MILCX, Item 9F must be completed by the 2nd party reviewer upon completion.
10	COC designee, CED designee, or STC designee shall enter any notable remarks about any CCC-770 MILCX review item.
11A through 11B	COC designee that completes CCC-770 MILCX, Items 1 through 9E shall sign as preparer and indicate date signed.
12A through 12D	As applicable, CED’s designee must enter a check (✓) in the appropriate box, enter signature, and indicate date to certify that they “Concur” or “Do Not Concur” that the CCC-770 MILCX items have been appropriately verified and updated for each FY quarter.
13A through 13D	As applicable, STC designee must enter a check (✓) in the appropriate box, enter signature, and indicate date to certify that they “Concur” or “Do Not Concur” that the CCC-770 MILCX items have been appropriately verified and updated for each FY quarter.

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## 3 Completing CCC-770 MILCX (Continued)

### B Example of CCC-770 MILCX, Page 1

This is an example of the revised CCC-770 MILCX, page 1.

<b>CCC-770 MILCX</b> (04-12-07)		U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation		1. Name of Dairy Operation		2. Fiscal Year	
<b>MILK INCOME LOSS CONTRACT PROGRAM          EXTENDED (MILCX) CHECKLIST</b>		3. Date of Contract (MM-DD-YYYY)		4. Contract Number			
		5. County Office		6. State			
<b>7. DAIRY OPERATION:</b>				Handbook or Other Applicable References	YES	NO	N/A
A. Was checklist CCC-770 Eligibility completed and eligibility verified for each producer receiving a payment?				3-PL, paragraph 3			
B. Does the dairy operation meet the definition of an eligible dairy operation in accordance with your State's interpretation of a dairy operation under DMLA-III?				11-LD, paragraph 10			
C. If this is a new dairy operation, do they meet the requirements of a new dairy operation?				11-LD, paragraph 10			
<b>8. CONTRACT REQUIREMENTS:</b>							
A. Do all producers in the dairy operation meet the definition of an eligible producer as found in procedure?				11-LD, paragraph 11			
B. To the best of your knowledge has any producer in the dairy operation been convicted under Federal and State law of a controlled substance violation?				11-LD, paragraph 12 1-CM			
C. Was CCC-580X (03-15-06) signed by someone in a representative capacity?				1-CM, Part 25			
If "YES", was the correct indicator such as by or for used?							
D. If signed in a representative capacity, is proper signature authority on file?				1-CM, Part 25			
If "YES", was the entity ID number, date, and entity share percentage provided on CCC-580X?							
E. If CCC-580X was not signed in a representative capacity, have all producers who share in the risk of the dairy operation's total production signed, dated, indicated shares, and provided ID numbers on CCC-580X (03-15-06)?				11-LD, paragraph 40			
F. Was the CCC-580X approved by COC or designee that has been granted authority to approve all CCC-580X's on their behalf?				11-LD, paragraph 40			
G. Has the producer been made aware of the requirement to notify the County Office if there is any change in his dairy operation?				11-LD, paragraph 46			
H. If a change has been made to the operation or the start month, was a CCC-580M properly completed, signed by the producer and approved by the COC or designee?				11-LD, paragraph 47			
I. Did the County Office obtain written authorization from the producer requesting the dairy cooperative or handler to provide production evidence directly to the County Office?				11-LD, paragraph 44			
If "YES", did the written authorization comply with procedure guidelines?							
J. Has CCC-580X Appendix, dated 03-15-06 been provided to applicant?				11-LD, subparagraph 43C			
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### 3 Completing CCC-770 MILCX (Continued)

#### C Example of CCC-770 MILCX, Page 2

This is an example of the revised CCC-770 MILCX, page 2.

CCC-770 MILCX (04-12-07)												Page 2		
INSTRUCTIONS: For each Production Evidence and Payment Processing Item, check "YES", or "NO", as it applies for the applicable month, initial and enter the date task was completed.														
9. PRODUCTION EVIDENCE AND PAYMENT PROCESSING:	Handbook or Other Applicable References		Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun	Jul	Aug	Sep
A. Does the production evidence meet the requirements found in procedure?	11-LD, paragraphs 13 and 44	YES												
		NO												
		Initial												
		DATE COMPLETED:												
B. Were the original supporting documents photocopied, and was the photocopy data-stamped, and the original documents returned to the contact producer?	11-LD, paragraph 44	YES												
		NO												
		Initial												
		DATE COMPLETED:												
C. Were payments issued within 60 days of receiving production evidence?	11-LD, paragraph 44	YES												
		NO												
		Initial												
		DATE COMPLETED:												
D. Was late payment interest properly applied if payments were not issued within 60 days of receiving production evidence?	11-LD, paragraph 44	YES												
		NO												
		Initial												
		DATE COMPLETED:												
E. Was production evidence reviewed against data entered in eMILCX software?	11-LD, paragraph 44	YES												
		NO												
		Initial												
		DATE COMPLETED:												
F. Was a second party review completed before payment was issued?	11-LD, paragraph 40	YES												
		NO												
		Initial												
		DATE COMPLETED:												
10. Remarks:														
11A. Signature of Preparer									11B. Date (MM-DD-YYYY)					
12. CED Signature and Certification of concurrence/non-concurrence that the above items have been verified and updated accordingly.														
12A. Oct. 1 – Dec. 31 (1 <sup>st</sup> Quarter)			12B. Jan 1 – Mar. 31 (2 <sup>nd</sup> Quarter)			12C. Apr. 1 – June 30 (3 <sup>rd</sup> Quarter)			12D. July 1 – Sept. 30 (4 <sup>th</sup> Quarter)					
<input type="checkbox"/> Concur <input type="checkbox"/> Do not concur			<input type="checkbox"/> Concur <input type="checkbox"/> Do not concur			<input type="checkbox"/> Concur <input type="checkbox"/> Do not concur			<input type="checkbox"/> Concur <input type="checkbox"/> Do not concur					
Signature for Spot Check   Date			Signature for Spot Check   Date			Signature for Spot Check   Date			Signature for Spot Check   Date					
13. DD Signature or STC Designee Certification of concurrence/non-concurrence that the above items have been verified and updated accordingly.														
13A. Oct. 1 – Dec. 31 (1 <sup>st</sup> Quarter)			13B. Jan 1 – Mar. 31 (2 <sup>nd</sup> Quarter)			13C. Apr. 1 – June 30 (3 <sup>rd</sup> Quarter)			13D. July 1 – Sept. 30 (4 <sup>th</sup> Quarter)					
<input type="checkbox"/> Concur <input type="checkbox"/> Do not concur			<input type="checkbox"/> Concur <input type="checkbox"/> Do not concur			<input type="checkbox"/> Concur <input type="checkbox"/> Do not concur			<input type="checkbox"/> Concur <input type="checkbox"/> Do not concur					
Signature for Spot Check   Date			Signature for Spot Check   Date			Signature for Spot Check   Date			Signature for Spot Check   Date					